Swaping of high cost debt

4731. SHRI RAMA MUNIREDDY SIRIGIREDDY:
SHRIMATI N.P. DURGA :

Will the Minister of FINANCE be pleased to state:

whether the Ministry of Finance has drawn up a schedule to swap high cost debt to low cost debt to the tune of Rs. 30-40 thousand crores in the first quarter of 2003-2004; and

if so, the details of the plan?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Government proposes to offer buyback of 24 high coupon relatively illiquid Government securities, with outstanding stock of Rs. 82,523 crore during the first quarter of 2003-2004. The transaction would be structured as switch operation and auction would be through multiple price method. The quantum of repurchase, number of tranches, etc. would be decided depending on the response to the offer.

Corporate Debt Restructuring

4732. SHRI EKANATH K. THAKUR: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

what are the new rules issued by the Reserve Bank of India (RBI) on Corporate Debt Restructuring (CDR);

whether the CDR mechanism has been working efficiently; and

how many CDR proposals have been finalized since the inception of the schemes?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VTTHOB A ADSUL): (a) Based on the recommendations of a High Level Group, Reserve Bank of India issued revised guidelines on 5th February, 2003. The main features of the revised guidelines are the introduction of two types of restructuring under the CDR system. Accounts, which are classified as 'standard and sub-standard', would be restructured under the first category (Category-I) whereas Accounts classified as 'doubtful' would be restructured under the second category (Category-II). Guidelines have also been revised in regard to composition and enhancement in the scope of Core Group, Additional functions for CDR Empowered Group,